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JAPAN'S CABINET SECRETARIAT AND ITS EMERGENCE AS CORE EXECUTIVE

_____ Tomohito Shinoda
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Abstract

Since the 2001 administrative reform, the Cabinet Secretariat has played an increasingly important role as core executive in Japan's policy-making. With newly defined authority and expansion of the office, the Secretariat has dealt with politically difficult policies and demonstrated its ability to coordinate conflicting interests among various ministries.

During the 1990s, lack of leadership became a focal issue for Japanese politics. Crisis management, in particular, arose as an immediate problem after the disastrous experience of the Hanshin earthquake and Aum Sarin gas attacks in 1995, the embassy hostage crisis in Peru in 1995–96, and the oil spill disaster in the Sea of Japan in 1997. In each of these incidents, the national leader received heavy criticism for not taking timely, decisive, and appropriate action. Therefore, when Prime Minister Hashimoto Ryutaro formed the Administrative Reform Council in 1996, one of its major mandates was to reinforce the authority of and staff support for both the cabinet and the prime minister to enhance their control in responding to emergencies. Council member Moroi Ken told the author in 1998 that “[s]trengthening the cabinet function was a much more important achievement for the Council than reorganizing the ministries, which attracted the most media attention.”¹ The administrative reform passed on July 8, 1999. The new laws enacted significant institutional changes to strengthen the power and function of the Cabinet Secretariat, the prime

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1. Interview by author, Tokyo, October 22, 1998.

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minister's support body equivalent to the U.S. White House or the British Prime Minister's Office.

With its newly found and stronger authority under the new laws, the Cabinet Secretariat plays an instrumental role as "core executive." According to Dunleavy and Rhodes, core executive is defined as primarily serving to "pull together and integrate central government policies, or act as final arbiters within the executive of conflicts between different elements of the government machine."² Because many major issues handled by the Japanese government overlap the jurisdiction of two or more ministries, the Cabinet Secretariat must act as an arbiter when conflicting interests stall progress.

Although the role of the Cabinet Secretariat has become very important in Japan's central government, only a limited number of academic works exist that cover this subject, especially in the English language.³ As far as the author knows, there is no academic work that focuses exclusively on the Secretariat's role after the 2001 institutional changes. This article examines how the new institutional changes have impacted the role of the Cabinet Secretariat and altered its relationships with the central government agencies.

The Rise of the Chief Cabinet Secretary

Central to the Cabinet Secretariat's role of core executive is its head, the chief cabinet secretary (CCS). Similarly to the above definition of core executive, former CCS Gotoda Masaharu summarizes his old job as "to mediate and settle disputes" among various government agencies in the policy-making process.⁴ Policy coordination requires political skill, experience, and connections as well as knowledge of the content and implications of specific policies. The CCS must work with other members of the ruling party and the bureaucracy in policy coordination. As Gotoda states, the task depends on the "power balance between the CCS and the relevant ministers of state. Thus it involves competition over their individual political power and character."⁵

2. Patrick Dunleavy and R. A. W. Rhodes, "Core Executive Studies in Britain," *Public Administration* 68:1 (1990), p. 4.

3. Among the few academic works are Kataoka Hiromitsu, *Naikaku no Kino to Hosa Kiko* [The function of the cabinet and the supporting organizations] (Tokyo: Seibundo, 1982), and Ian Neary, "Serving the Japanese Prime Minister," in *Administering the Summit: Administration of the Core Executive in Developed Countries*, ed. B. Guy Peters, R. A. W. Rhodes, and Vincent Wright (New York: St. Martin's Press, 2000), pp. 196–222. Two books on Japan's prime minister contain sections on the Cabinet Secretariat: Kenji Hayao, *The Japanese Prime Minister and Public Policy* (Pittsburgh: University of Pittsburgh Press, 1993), and Tomohito Shinoda, *Leading Japan: The Role of the Prime Minister* (Westport, Conn.: Praeger Publishers, 2000).

4. Gotoda Masaharu, *Naikaku Kanbo Chokan* [Chief cabinet secretary] (Tokyo: Kodansha, 1989), p. 3.

5. *Ibid.*, p. 4.

Because the prime minister's time and energy are limited, many issues are handled without his involvement, even those that are supposed to require his attention. In the traditional bottom-up decision-making system in the Japanese government, ministries attempt to deal with issues within their realm. Gotoda points out: "Although the [officials from] ministries are supposed to bring up important issues relating to other administrative agencies in the cabinet meeting, they may not do so due to jurisdictional conflicts. There are also occasions in which by the time the issue reaches [the cabinet level] there is already no room for discussion."⁶ Finding and presenting such issues to the prime minister is one of the major tasks of the CCS and his support staff.

As well as being a policy mediator, the CCS acts as spokesperson for the prime minister and his cabinet. He holds official press conferences twice a day. In addition, his unofficial comments outside of the press conferences are frequently quoted in the media as statements by the *seifu shuno* (top official of the government). In a sense, the job of the CCS is at least equivalent to the combined functions of the U.S. administration's chief of staff *and* the White House spokesperson. Indeed, the CCS's role is probably far more important than the two American positions because he is directly involved in the decision-making process for most of the government's key policy decisions. Even when he is not directly involved, decisions must be reported to him. It is not too much to say that the CCS is much more involved in policy-making than the prime minister.

The emergence of the Cabinet Secretariat as a major player in Japanese governmental politics is symbolized by the increasingly elevated status of the CCS. The title *kanbo chokan* was created in the promulgation of the Executive Offices Law (Gyosei kancho-ho) in January 1947, but the original law did not define the corresponding job.⁷ The 1949 revision of the Cabinet Law (Naikaku-ho) finally defined the CCS's role to be head of the Cabinet Secretariat and allowed a cabinet minister to take this position. But it was not until 1966 that the position gained the permanent status of a cabinet member.⁸ Under the second Yoshida Shigeru cabinet in 1948, for example, Sato Eisaku was appointed CCS without holding cabinet member status, even without being an elected Diet member.

Even after 1966, the position of CCS was relatively low in the ministerial hierarchy. The prime minister often appointed a close associate from his faction to support his administrative tasks. In 1982, however, Prime Minister Nakasone Yasuhiro surprised many in political circles by appointing Gotoda,

6. Gotoda Masaharu, *Seiji towa Nanika* [What is politics?] (Tokyo: Kodansha, 1988), p. 90.

7. Before the establishment of this law, the position was called *shokikancho* (chief clerk).

8. The position gained cabinet member status under the Sato administration; the first CCS with ministerial status was Aichi Kiichi.

former administrative deputy CCS and member of the Liberal Democratic Party's (LDP) largest faction, led by Tanaka Kakuei. In order to pursue his priority policy issue of administrative reform, Nakasone needed Gotoda's skill and experience in controlling the bureaucracy.

More recently, prime ministers have appointed political heavyweights to the post of CCS. For example, Prime Minister Hashimoto appointed former LDP Secretary-General Kajiyama Seiroku to this position in January 1996. The Hashimoto administration seriously analyzed the lessons of the 1995 Hanshin earthquake, discussing the possibility that the prime minister might not be able to perform his duties. The Hashimoto cabinet decided to designate the CCS as acting prime minister in such a case. This decision, however, was effective only in cases of natural disasters, such as earthquake.

This limitation sparked a major legal debate when CCS Aoki Mikio was appointed acting prime minister after Prime Minister Obuchi Keizo fell into a coma in April 2000. Aoki became acting premier under Article 9 of the Cabinet Law, which stipulates that "if the prime minister is absent or has an accident, a state minister designated by him in advance shall assume the duties as prime minister as a tentative measure." The appointment did not require a cabinet decision. However, because Obuchi did not give Aoki clear and specific prior instructions, the situation turned into a major political debate in the Diet. Then-Democratic Party Policy Committee Chairman Kan Naoto strongly questioned the legality of the appointment.

After this incident, in order to avoid such confusion, it became the custom for a new cabinet to list five cabinet positions in order of succession to the premiership. The CCS is now always at the top of the list and will continue to be so unless the position of the deputy prime minister is officially introduced. For example, the list of the second cabinet of Koizumi Junichiro (established in November 2003) was topped by Chief Cabinet Secretary Fukuda Yasuo; followed by Finance Minister Tanigaki Sadakazu; Agricultural Minister Kamei Yoshiyuki; Minister for Public Management, Home Affairs, Post, and Telecommunications Aso Taro; and Minister for Economy, Trade, and Industry Nakagawa Shoichi, in that order. In principle, when the prime minister is out of Tokyo, the CCS is expected to stay in town. The CCS in effect has become a deputy prime minister.

Deputy Chief Cabinet Secretary: A Shadow Prime Minister?

As the status of the CCS rose, his deputies also began to play increasingly important roles. There are three deputies, one administrative and two parliamentary (one of these is appointed from among members of the lower house and the other from the upper house). The administrative deputy CCS is a key position, often called the top post of the entire bureaucracy. Its officeholder serves

as the liaison between the prime minister and the bureaucracy and consults frequently with the prime minister. According to an *Asahi Shimbun* survey, for example, Deputy CCS Furukawa Teijiro was the most frequent visitor to Prime Minister Hashimoto's office during 1997.⁹

As the tenures of two recent administrative deputy CCSs grew unusually long, this post became extremely instrumental. Ishihara Nobuo served for seven years and three months in 1987–95 and Furukawa for eight years and seven months in 1995–2003. Before Ishihara became deputy CCS, prime ministers traditionally made a new appointment to this post when they took office. However, Ishihara and Furukawa served under 11 prime ministers over 16 years; their institutional memory was critical for the premiers, especially for national leaders with limited prior cabinet experience. For example, Ishihara played a crucial role, particularly in the administration of Kaifu Toshiki, who was so unprepared to become the nation's leader that the media jokingly reported that the government was run by "Prime Minister Ishihara with assistance from Kaifu."¹⁰

Appointees for this position are usually chosen from officials of the prewar Ministry of Home Affairs (Naimu-sho), which was divided after World War Two into several ministries, including Home Affairs, Health and Welfare, and Labor, and the National Police Agency. Senior officials of these agencies are generally considered less partial to ministerial interests and more concerned about the interest of the nation as a whole.¹¹ For instance, Ishihara was a former vice minister of the Ministry of Home Affairs and Furukawa, a former vice minister of the Ministry of Health and Welfare.

According to former Administrative Deputy CCS Furukawa, the position has five major functions: (1) policy coordination, (2) handling issues brought to cabinet meetings, (3) chairing sub-cabinet meetings, (4) screening appointments of high officials, and (5) advising vice ministers. Furukawa told the author in a personal interview that his most important task was policy coordination among different ministries; he stressed the importance of the impartiality of this position:

The most important thing for the deputy CCS is to be selfless. That is the reason why I could serve that position for more than eight years and could gain trust from

9. *Asahi Shimbun* [Asahi News], April 15, 1998.

10. For more details, see Shinoda, *Leading Japan*, p. 73.

11. A former deputy CCS, Gotoda Masaharu, says the following: "[The administrative deputy CCS needs] to conduct operations on the budget, personnel placement and planning impartially, without any personal interest involved. Therefore officials of the Finance Ministry which has the budget bureau, or officials at the Ministries of International Trade and Industry, Transportation and Foreign Affairs are inappropriate [for this position]." Quoted in Kawaguchi Hiroyuki, *Kanryo Shihai no Kozo* [The structure of bureaucratic control] (Tokyo: Kodansha, 1987), p. 45.

the ministries. Justice was the key word for decision-making, and I thought that if my decision is made based on justice, it would be well accepted by the Japanese people.¹²

To assist the administrative deputy CCS in policy coordination, there are three assistant CCSs and their staff (as described in the following section). Their second important job is to handle and prepare all issues presented to the cabinet meeting. The administrative deputy CCS is also the last person to check all the items at the highest decision-making organ in Japan's executive branch. The third important task is to chair the administrative vice-ministerial meeting (*jimu jikan kaigi*), which is attended by the top bureaucrats of all the administrative agencies. While the cabinet is the highest decision-making institution of the Japanese government, actual decisions are rarely made in cabinet meetings. The agenda for a cabinet meeting is prepared at the sub-cabinet meeting, usually held the day before, and the agenda goes to the cabinet meeting with a proposed decision. Although the sub-cabinet meeting has no legal authority or base for its existence, decisions made at this meeting are seldom repealed by the cabinet.

Critics often describe this sub-cabinet meeting as evidence of the supremacy of the bureaucracy in Japan. For example Kan Naoto, the leader of the Democratic Party, is a long-time critic of these meetings and included abolition of the meetings as a campaign promise in his party's manifesto for the November 2003 general election.¹³ Furukawa, who served as chairman of the sub-cabinet meeting for more than eight years, in his interview with the author rebutted Kan's criticism:

The sub-cabinet meeting is totally misunderstood by Mr. Kan. The meeting is not the place to make the final decision. Usually, decisions are made before the sub-cabinet meeting. Because decisions made by the cabinet, the highest decision-making organ of the government, must be flawless, the sub-cabinet meeting serves as the place for final checking by experts, including officers of the Cabinet Legislation Bureau. The meeting never opposed decisions initiated and decided by the cabinet, and sometimes is not at all involved in cabinet decisions. For example, the Koizumi Cabinet's economic reform policy, decided by the Council of Economic and Fiscal Policy, was not even brought to the sub-cabinet meeting.¹⁴

Furukawa also stresses the other function of the sub-cabinet meeting: "The meeting is the last stage of the bottom-up decision making of the government. At the same time, the meeting is the place where the deputy CCS makes the

12. Furukawa Teijiro, interview by author, Tokyo, October 30, 2003.

13. The Democratic Party's manifesto stipulates, "We will abolish the mechanism, symbolized by meetings of administrative vice-ministers, of advance manipulation of the cabinet's agenda, and change it to a politically led mechanism of top-down decision-making centered on cabinet meetings and meetings of senior vice ministers." The English version of the manifesto is available on the web at <http://www.dpj.or.jp/english/manifesto_eng/index.html>, accessed July 1, 2005.

14. Furukawa Teijiro, interview by author, October 30, 2003.

intentions of the prime minister known and could be the first stage of the top-down decision-making.”¹⁵

The fourth important function of the deputy CCS is to approve the appointments of high officials (bureau chiefs and above) of all the ministries. As a result of Hashimoto’s administrative reform, those appointments now must be approved by the cabinet. Prior to cabinet approval, the administrative deputy CCS screens the list of candidates to make sure the appointments match the prime minister’s policy goals. In several cases of appointments, Furukawa actually rejected the ministries’ choices, but more often he was privy to early information from the ministries, at which time he filtered some appointments. This gave him *de facto* power to appoint high officials of all the ministries and increased his power *vis-à-vis* the bureaucracy.

The fifth function is to give advice to administrative vice ministers. After the January 2001 reorganization, the vice ministers, especially those of the newly merged ministries, faced many difficulties running their own institutions, primarily because of their lack of related experience. In many cases, the deputy CCS is the only one who can give advice to them. This also contributed to an increase in power of the Cabinet Secretariat *vis-à-vis* the ministries.

In addition to the administrative deputy, parliamentary deputy CCSs have gained much importance.¹⁶ The parliamentary deputies are often chosen from the prime minister’s faction and serve a different function from that of the administrative deputy. While the latter operates as a crucial link between the CCS and the assistant CCSs or the bureaucracy, parliamentary deputies are not necessary in the line of command. They assist the CCS primarily in matters concerning relations with the ruling party, or work on issues assigned by the prime minister. A former officer of the Cabinet Secretariat told the author:

The tasks of the parliamentary deputy CCS vary depending on their interests and expertise. I closely observed three parliamentary deputy CCSs—Nukaga Fukushima (1997–98, 1999–2000), Suzuki Muneo (1998–99), and Abe Shinzo (2000–03). Mr. Nukaga, for example, was involved in a wide variety of domestic policy issues, as he was a well-known policy expert. Mr. Suzuki was heavily concentrated in foreign policy and political affairs. Mr. Abe spent most of his time dealing with foreign affairs and national security issues.¹⁷

Although the parliamentary deputy CCS is a sub-cabinet position, the post is often more important in terms of policymaking than some cabinet positions are. This is why senior LDP members with prior cabinet experience were sometimes appointed to the post.¹⁸

15. *Ibid.*

16. There was only one parliamentary deputy until 1998.

17. Interview with a former officer at the Cabinet Secretariat, by author, Tokyo, May 19, 2003.

18. Prime Minister Sato Eisaku appointed former CCS Kimura Toshio to this position. Also, Prime Minister Nakasone Yasuhiro appointed a former labor minister, Fujinami Takao, and Prime

Reorganization of the Cabinet Secretariat

The 2001 central government reform brought structural changes to the Cabinet Secretariat as well (see Figure 1). One change was increased control for the prime minister over the number of personal assistants he can appoint. The prime minister now can appoint more private secretaries than five (as formerly allowed), with an executive order. In addition, he is now allowed to appoint up to five special advisors, an increase of two. A further significant change allowed appointments to the important posts at the Cabinet Secretariat to be open to individuals from both inside and outside of government in order to avoid “inflexible methods of assigning particular posts . . . to officials from particular ministries.”¹⁹ Despite this new discretionary power, Prime Ministers Mori Yoshiro and Koizumi Junichiro did not fully take advantage of these changes. Neither increased the number of their secretaries. Mori appointed only two special advisors, and Koizumi currently has three (as of June 2005, Makino Toru for urban renaissance projects; Watanabe Yoshiaki for postal reform; and Kawaguchi Yoriko for foreign affairs) after Yamazaki Taku resigned in May. Most of the political appointment positions in the secretariat were taken up by bureaucrats from the same old ministries.

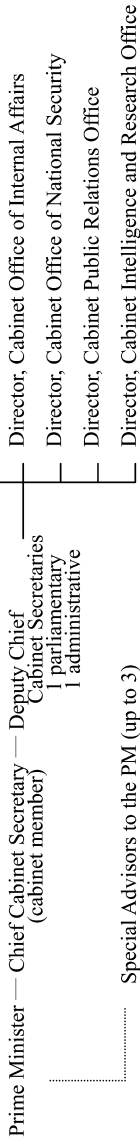
On the other hand, a more significant institutional change in the Secretariat was formal abolition of the three policy offices. In the 1986 reorganization under the Nakasone administration, the offices of Internal Affairs (headed by a Ministry of Finance [MOF] official); External Affairs (headed by a Ministry of Foreign Affairs [MOFA] official); and National Security Affairs (headed by a Japan Defense Agency [JDA] official, later changed to the Office of National Security Affairs and Crisis Management) were created to strengthen the secretariat. During Hashimoto’s administrative reform efforts, these offices were strongly criticized for lack of mutual coordination and problems inherent stemming from interagency rivalry. As a result, the three offices and their directors’ posts were abolished. Instead, three new positions of assistant chief cabinet secretary were created as political appointment positions. Although flexible appointment of assistant CCSs was expected to be introduced in the spirit of Hashimoto’s reform, Prime Minister Mori appointed three officers from the same ministries as leaders of the old policy offices (MOF, MOFA, and JDA) in the January 2001 reorganization. These appointees remained in place even

Minister Takeshita Noboru chose a former minister of home affairs Ozawa Ichiro, both powerful members of their given faction, to this post. Prime Minister Miyazawa Kiichi appointed Kondo Motoji as the deputy CCS directly from the post of minister of agriculture and fishery. More recently, Prime Minister Hashimoto selected a former education minister, Yosano Kaoru, to the same post.

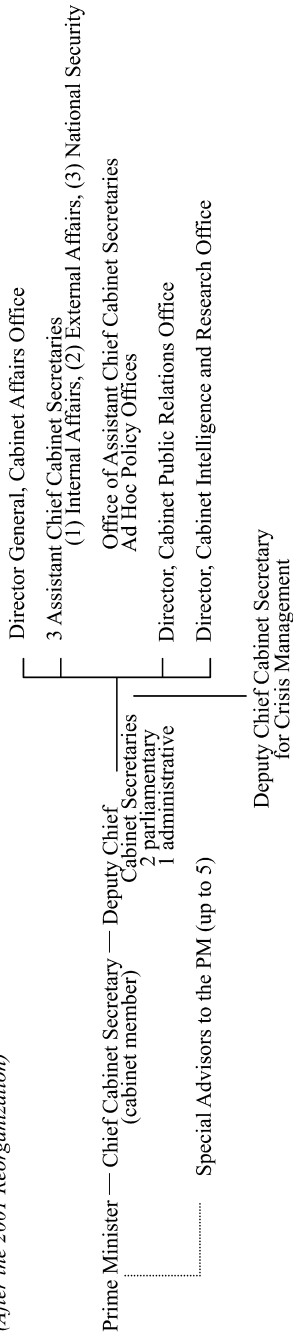
19. See “Central Government Reform of Japan,” <http://www.kantei.go.jp/foreign/central_government/01_establishing.html>, accessed July 1, 2005.

FIGURE 1 *The Organization of the Cabinet Secretariat*

(Before the Hashimoto Reform)



(After the 2001 Reorganization)



after Koizumi took office that April; their boss, Deputy CCS Furukawa, has defended the unchanged appointments:

If national policies are divided into three major categories, they should be national security, foreign affairs, and domestic policies. If we have to choose the government officials in charge of the first two areas, it is natural to choose from the JDA and MOFA. For domestic affairs, we currently appoint a MOF official. But it is possible in the future to appoint somebody from the Ministry of Economy, Trade and Industry [METI]. We are hoping to see that those positions will be held by officials who have formerly served in the Cabinet Secretariat and have a strong concept of national interests, rather than ministerial interests.²⁰

According to Furukawa, although Hashimoto's administrative reform changed these positions to political appointments, there is no intention to appoint from outside government unless the prime minister shows a strong will to do so.

On the other hand, there was a major change in the organization of the Cabinet Secretariat's policy offices. Officially, all of these offices were merged into one policy unit under the name of the Office of Assistant CCSs. The policy unit has about 100 staffers to support the three assistant CCSs for policy coordination. Despite this organizational change, the legacy of the three old offices still remains. Although the Office on External Affairs was totally discontinued, an element of the old Office of Security Affairs and Crisis Management still exists separately from the rest of the Cabinet's policy unit and is even located on a different floor of the Cabinet Office Building. It is officially headed by the director for Crisis Management, a position slightly above vice minister and currently held by Noda Takeshi (as of September 2005), a former National Police Agency official with the assistance of Assistant CCS Omori Keiji from the JDA. The room with some 30 staffers serves as a central support center for the two high officials (see Table 1).²¹ The rest of the policy unit is located on the same floor. It is divided into six groups and also shows the legacy of the old Cabinet Offices of Internal and External Affairs. Three of the six groups formerly belonged to the Office of Internal Affairs, and their officers come from the domestic policy-oriented ministries. The other three groups used to belong to the Office of External Affairs, and are foreign policy-oriented (see Table 1). Each group is headed by one or two councilors at *kacho* (director) level. In order to enhance coordination among the three elements of the old offices, Deputy CCS Furukawa created a new position of Chief Councilor at the *bucho* (councilor, i.e., between director and bureau chief) level between the three assistant CCSs and the Cabinet Councilors (see Figure 2). He appointed

20. Furukawa, interview by author, October 30, 2003.

21. Officials are listed in Table 1. This quantity does not include temporary officials, seconded from the other ministries.

TABLE 1 Policy Unit Staff under the Assistant Chief Cabinet Secretaries (as of December 2001)

Assistant Chief Cabinet Secretary for Internal Affairs (from MOF)
Assistant Chief Cabinet Secretary for External Affairs (from MOFA)

Secretariat 1—General Affairs (4), Legislative Relations (2), Accounting (4), Personnel (3)
 Secretariat 2—Research (3), Planning (2), Coordination (3)
 Policy Unit Staffers by the Ministries of Origin and Expertise

Councilors (8) (*shingikan*, bureau chief level)

Cabinet Office, MOFA¹, MPHP², METI³, National Police Agency
 Ministry of Justice, Public Prosecutors Office, Ministry of Finance
 Councilors (*sanjikan*, director level) MPHP (2), MEXT⁴ (2), MHLW⁵ (2), METI (2), MLIT⁶ (2), MOFA (2)

Group 1—MEXT (3), Ministry of Justice (2)
 Group 2—MPHP (2), National Police Agency (2)
 Group 3—Cabinet Office (3), Ministry of Finance (3)
 Group 4—Indochina Refugees (2), MOFA (2)
 Group 5—METI³ (3), MLIT (3)
 Group 6—MHLW (2), MAFF (3)

Assistant Chief Cabinet Secretary for National Security (from JDA)

Group 1—2 Councilors from JDA
 JDA (3)

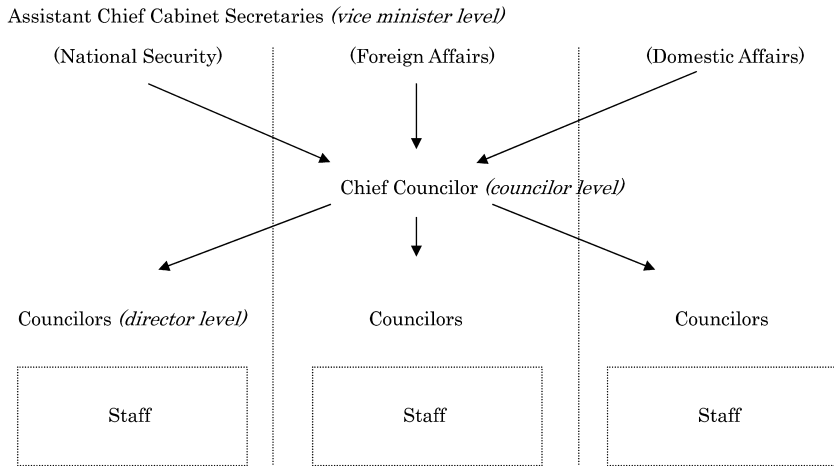
Group 2—Councilor from MPHP
 National Fire Agency, Ministry of Agriculture, Forestry and Fishery, MPHP

Group 3—Councilor from MLIT
 JDA, National Maritime Safety Agency, National Police Agency, MOF

Group 4—Councilor from National Police Agency
 National Police Agency, MOFA, MHLW

Group 5—Councilors from JDA and MLIT
 JDA, MPHP, MLIT(3)

NOTE: ¹ = Ministry of Foreign Affairs; ² = Ministry of Public Management, Home Affairs, Posts, and Telecommunication; ³ = Ministry of Economy, Trade, and Industry; ⁴ = Ministry of Education, Culture, Sports, Science, and Technology; ⁵ = Ministry of Health, Labor, and Welfare; ⁶ = Ministry of Land, Infrastructure, and Transportation.

FIGURE 2 *Image of the Policy Unit Staff*

Ogawa Hiroshi from METI to this position to supervise the entire policy unit; this arrangement was a success. In order to further coordinate policy among different ministries, Hashimoto's administrative reform efforts allowed the policy unit to form ad hoc offices for specific policy areas. This new arrangement was designed to provide institutional flexibility by not designating policy issues to specific ministries, "thus enabling them to respond to situations in a timely manner," according to the official explanation of the government.²² While some offices were established by laws or government orders, others exist without any legal basis. As of September 2005, there are 15 ad hoc offices (see Table 2). Because they are established on an ad hoc basis, their formation and dissolution are very flexible. For example, the Office of Personal Information Protection, established in 2001, was dissolved after the Koizumi government passed personal information protection legislation in May 2003. Furukawa explains the flexibility of these ad hoc offices:

What I pictured in my mind was my experience at the Anti-Pollution Headquarters under the Sato administration. As a young official from the Ministry of Health and Welfare who was sent to the headquarters, I observed that the organization changed its shape like an amoeba to deal with one pollution issue after another. I wanted that flexibility in the Cabinet Secretariat.²³

22. Ibid.

23. Ibid.

TABLE 2 *Ad Hoc Policy Rooms under the Assistant Cabinet Secretaries*
(as of September 2005)

1. Information Security
 2. Information and Technology
 3. Administrative Reform Promotion
 4. Treatment of Abandoned Chemical Weapon
 5. Urban Renaissance
 6. Special Zones for Structural Reform
 7. Supporting Abductees and Their Families
 8. Intellectual Property Strategy Promotion
 9. Supporting Iraqi Reconstruction
 10. Regional Renewal
 11. Continental Shelf Research
 12. Port and Airport Crisis Management
 13. Preparing Privatization of Postal Services
 14. Promoting Centralization of Government Functions
 15. Promoting Judiciary System Reform
-

These ad hoc offices significantly expanded the size of the Cabinet Secretariat. According to its official Internet website, the Secretariat employed 665 officials at the end of fiscal year 2005, about three times more than in the pre-2001 era.²⁴ The actual number may well be more than 700, as some officers are seconded from other ministries and remain on their payroll and may not be counted in this figure.

Not only the quantity but also the quality of the officers in the Secretariat have changed. A former assistant to the prime minister, Eda Kenji, who played an instrumental role in Hashimoto's administrative reforms, told the author, "Before the Hashimoto reform, the officers seconded from different ministries had very limited duties. Instead of initiating policy by themselves, many of them just stapled the documents that were provided by their home ministries. As their work was not substantial, the ministries were hesitant to send their best men."²⁵ This situation changed after Hashimoto's reform. Furukawa told the author, "As the Cabinet Secretariat plays more of an instrumental role in the policymaking, the ministries now send more competent officers. For higher positions, we even handpicked the officers from other ministries."²⁶ With the improved quality of officials, the Cabinet Secretariat has become a more effective institution to deal with difficult issues.

24. See <<http://www.cas.go.jp/jp/gaiyou/sosiki/index.html>>, accessed July 1, 2005.

25. Eda Kenji, interview by author, Tokyo, July 30, 2001.

26. Furukawa, interview by author, October 30, 2003.

Strengthened Institutions for Policy Initiative

In addition to the organizational changes, the institutional authority of the prime minister and the Cabinet Secretariat was also strengthened. In order to enhance the power of the prime minister and the cabinet, revision of the Cabinet Law was made a central issue in Hashimoto's Administrative Reform Council. The national leader's authority at a cabinet meeting was ambiguous under the old law. Although it was possible for the prime minister to propose a policy just like any other cabinet members could, cabinet members including the prime minister rarely took such initiative. The revised Article 4 of the law clarifies the premier's authority to propose important, basic policies at such meetings. With this revision, institutional arrangements are clearly set for the national leader to initiate policies at the top.

In order to support the prime minister's policy initiative, the authority and function of the Cabinet Secretariat were also reinforced. Under the old Cabinet Law, the Cabinet Secretariat's authority as policy coordinator was limited to a passive role. Article 12 of the law stated that the Secretariat could conduct policy coordination over "important" Cabinet policies and those needed to keep the government "integrated." The interpretation was that the office could act only on limited policy matters or when other ministries requested policy coordination. The revised Cabinet Law allows the Secretariat to initiate policies by clearly providing the authority to "plan and draft" them.

This change was one of the major points against which the bureaucrats strongly resisted during the deliberation of Hashimoto's Administrative Reform Council. The existing ministries did not want the Cabinet Secretariat to plan and draft bills that were under their own jurisdiction. The revised law allows the Cabinet Secretariat to develop concrete plans under the direction of the cabinet and the prime minister. Further, policy coordination system guidelines (approved by the cabinet in May 2000) clearly define the role of the Cabinet Secretariat "to present policy direction for the government as a whole, and coordinate policy strategically and proactively." The guidelines also instruct other ministries to recognize that "the Cabinet Secretariat is the highest and final organ for policy coordination under the Cabinet."²⁷ This places the Cabinet Secretariat above other ministries and agencies. Statutorily, the prime minister and the cabinet now can initiate and proceed with policy processes independently from the relevant ministries and the Cabinet Secretariat can finalize policy coordination with stronger legal authority.

Interestingly, Hashimoto himself became the first minister to take advantage of this revision. In December 2000, Hashimoto became the first state minister of administrative reform in the third Mori Cabinet, located in the

27. "The Guideline of Policy Coordination System," cabinet decision, May 30, 2000.

Cabinet Secretariat. The following month Hashimoto, at a speech to the Japan Press Club, revealed the Cabinet Secretariat's plan to reform the civil service system. The National Personnel Authority, which handles rules and regulations for civil servants, filed complaints to the Cabinet Secretariat over the lack of prior consultation. However, Hashimoto rejected their complaints based on the Secretariat's authority on policy initiatives, authorized by the May 2000 cabinet decision.²⁸ At the end of March 2001, the Cabinet Secretariat submitted a reform plan on the civil service system to Prime Minister Mori by taking advantage of this authority.

The Koizumi administration was next to take full advantage of the new policy initiative authority given to the prime minister and the Cabinet Secretariat (see Figure 3). According to Furukawa, Koizumi frequently instructed the Cabinet Secretariat through CCS Fukuda Yasuo on policy matters. Fukuda then ordered Furukawa to take action, and the latter subsequently assigned officers in the Policy Unit. The assigned officers consulted and coordinated with related ministries, reporting back to Furukawa. As Furukawa explained this process:

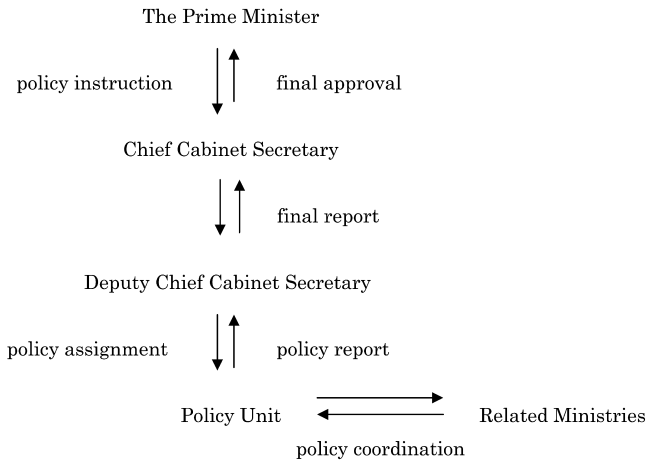
The policy reports that I received from the officers of the Cabinet Secretariat were basically in final form. If necessary, I further conducted any needed coordination and finalized them. I strongly felt that if I failed to catch a ball, it would go to the outfield without anyone running after it. Therefore, I tried to finalize the issue at my level. After doing so, I reported to CCS Fukuda. Sometimes we needed the prime minister's final decision, but more often than not the CCS made the final decisions. On the most important policy decisions, however, I made sure the prime minister was involved. As deputy CCS, I was conscious of the different roles of the political leaders and the bureaucrats. I arranged all the decisions to be made by the CCS. CCS Fukuda and I had the same opinion in most of the issues we handled.²⁹

Several important pieces of legislation have been initiated and administered by the Cabinet Secretariat since the Mori administration. Before 2000, the Secretariat was in charge of just two laws: the Cabinet Law and the Law on the Security Council of Japan, a minister-level council that belongs to the Cabinet. Neither law was policy oriented, but both related directly to the function and organization of the Cabinet. Some policy-oriented laws were initiated by the Cabinet Secretariat including the 1992 International Peace Cooperation Law that enabled Japan to engage fully in U.N. peacekeeping operations. However, these laws were not administered by the Cabinet Secretariat.

In 2000, the first major policy-oriented law under the new authority of the Cabinet Secretariat was enacted. This was the Basic Law on the Formation of an Advanced Information and Telecommunications Network Society, known as the IT Basic Law. Although information technology was considered as a

28. Interview with an officer at the Cabinet Secretariat, by author, Tokyo, September 18, 2001.

29. Furukawa, interview by author, October 30, 2003.

FIGURE 3 *The Conceptual Line of Decision-Making*

SOURCE: Provided by Furukawa Teijiro, October 30, 2003, with permission.

“key to social economic development in the 21st century,”³⁰ policy coordination was difficult because of the interagency conflict between the then-Ministry of Post and Telecommunication, which handled the infrastructure, and the then-Ministry of International Trade and Industry, which supervised the electronics and computer industries. In order for policy coordination to create an electronic “e-Japan” strategy, the Mori administration formed the IT Strategy Council under the Cabinet Secretariat in July. The council was headed by Sony Chairman Idei Nobuyuki and composed of 19 other members, mostly business leaders and academics. The council’s deliberation resulted in the establishment of the IT Basic Law that passed the Diet on December 6.

Legislative Initiative under the Koizumi Cabinet

Following this first case under the Mori government, the Cabinet Secretariat successfully promulgated, and has been administering, 12 more major laws under the Koizumi Cabinet, as of September 2005. Six laws are directly related to national security; six are concerned with domestic and economic reform (see Table 3). In the area of national security, three major pieces of legislation were

30. Prime Minister Mori’s address to announce the general resignation of the Cabinet, <http://www.kantei.go.jp/foreign/souri/mori/2001/0426kisyakaiken_e.html>, accessed July 1, 2005.

TABLE 3 *Major Laws under the Koizumi Cabinet* (as of September 2005)*National Security*

- The Anti-Terrorism Special Measures Law (promulgated on October 29, 2001)
- The Emergency Law (June 13, 2003)
- The Iraq Special Measures Law (August 1, 2003)
- The Law to Protect People's Rights (June 18, 2004)
- The Law to Facilitate U.S. Military Actions (June 18, 2004)
- The Law on the Use of the Public Facilities (June 18, 2004)

Domestic and Economic Reform

- The Special Public Corporations Reform Basic Law (June 21, 2001)
- The Urban Renaissance Special Measures Law (April 6, 2002)
- The Basic Law on Intellectual Property (December 4, 2002)
- The Law on Special Zones for Structural Reform (December 18, 2002)
- The Law on e-Documentation (April 1, 2005)
- The Law to Revise Related Laws on e-Documentation (April 1, 2005)

initiated and developed by the Cabinet Secretariat. The first was the Anti-Terrorism Legislation. After September 11, 2001, Furukawa quickly organized a task force in the Cabinet Secretariat to design the Japanese government's response. The task force was formed under the leadership of the Assistant CCS from the JDA. MOFA officials had earlier dominated foreign policy making but now found themselves forced to play subordinate roles on the task force. The new institutional arrangements of the Cabinet Secretariat avoided inter-agency conflicts between the JDA and the MOFA and enabled smooth operations. As a result, as early as September 19 Koizumi was able to announce his plan to actively support American reprisals for terrorist attacks. The task force in the Cabinet Secretariat played a central role in creating the anti-terrorism legislation. Meanwhile, the MOFA suffered from scandals involving its officials' misuse of government funds as well as contention between its officials and Foreign Minister Tanaka Makiko. The Koizumi administration also questioned the competence of Tanaka to handle deliberations in the Diet without making mistakes. As a result, the Cabinet Secretariat took charge of anti-terrorist legislation and CCS Fukuda took over answering questions in the Diet, symbolizing the Secretariat's leadership on the legislation. The anti-terrorism legislation passed in the Diet just after three weeks of deliberation. It was a smooth passage for a major law allowing Japan to dispatch SDF units abroad in times of combat for the first time.³¹

31. For a more detailed account of the impact of the institutional changes on the policy process of the Anti-Terrorist legislation, see Tomohito Shinoda, "Koizumi's Top-down Leadership in the Anti-Terrorism Legislation: The Impact of Political Institutional Changes," *SAIS Review*, 23:1 (Winter-Spring 2003), pp. 19-34.

After passage of the anti-terrorism legislation, Prime Minister Koizumi tried to take advantage of the momentum to pass the contingency legislation, which would provide a framework for dealing with an emergency in case of a military attack on Japan. Throughout postwar politics, the pacifist opposition parties such as the Socialist and Communist Parties strongly opposed enactment of contingency laws, arguing that such legislation would be a step toward Japan's remilitarization. As a result, this issue had been treated as a political taboo by recent LDP administrations. The proposed bills clarified the government's decision-making process, strengthened the authority of the prime minister, facilitated action by the Self-Defense Forces, and limited personal rights in case of emergency. This was the first attempt since the end of World War Two by Japan's Cabinet to pass bills governing the nation's response to a military attack.

For these bills, the Koizumi government simply followed the same strategy as in the anti-terrorism legislation. Practically the same task force within the Cabinet Secretariat restarted its original task of drafting the contingency bills. Although the bills were suspended during the Diet sessions in 2002 because of a lack of important clauses such as protection of people's rights and anti-terrorist measures, in May 2003 during the ordinary session they passed the lower house after the agreement was reached between the ruling coalition and the Democratic Party to cover the missing issues in separate pieces of legislation. A combined 90% of members who attended voted for one of the most controversial pieces of legislation in Japan's postwar history. The same strategy was adopted for the Iraq Special Measures Law, formally known as the Law Concerning the Special Measures on the Humanitarian and Reconstruction Assistance Activities. The task force in the Cabinet Secretariat drafted the new bill that would enable the dispatch of the Self-Defense Forces to Iraq, not for combat but for active contribution to humanitarian and reconstruction activities. The legislation passed the Diet in July 2003, and Tokyo dispatched the Self-Defense Forces to Iraq in February 2004.

In the area of domestic and economic reform, while the Cabinet Secretariat often takes the lead on politically difficult policy issues, its policy outcomes have not been as clearly successful as the national security policies. The Secretariat initiated the drafting of three pieces of domestic policy legislation—the Urban Renaissance Special Measures Law, the Basic Law on Intellectual Property, and the Law on Special Zones for Structural Reform—and established ad hoc policy offices to deal with these issues. The Office of Urban Renaissance plans drastic measures to advance urban redevelopment for future environmental needs and disaster prevention and also works to bolster aspects of urban international competitiveness. The Office of Intellectual Property Strategy Promotion plans measures for the creation, protection, and exploitation of intellectual property by clarifying the responsibilities of the state, local governments, universities, and business enterprises. The Office of Special Zones for

Structural Reform promotes the creation of specified deregulation zones based on voluntary plans by municipal governments and private sector enterprises. In each area, the plans are advanced on the initiative of the Cabinet Secretariat. Furukawa told the author, "These plans require intensive policy coordination among several ministries. If it had not been handled by the Cabinet Secretariat, the policy advancement would not have moved in such a swift manner."³²

Among the domestic and economic reforms, the most politically controversial was policy development under the law on the Special Public Corporations. One of Koizumi's political slogans, quipped about from the beginning of his administration, was "Structural Reform without Sanctuaries," meaning that the prime minister was prepared to reform areas the LDP had long kept untouched. Reforming the government-affiliated entities known as "special public corporations" and "public service corporations" had been a political issue in Japan for a long time.³³ Reform of those deficit-running organizations, however, had been dealt with in the past only on a limited basis. During Hashimoto's administrative reform efforts, the special public corporations were strongly criticized for their inefficiency and lack of transparency in business management. However, their reform was separated from other issues and delegated to the LDP Headquarters for Promoting Administrative Reform, which produced no major concrete results.

With the January 2001 central government reorganization, the Mori administration established the Government Headquarters for Administrative Reform under the Cabinet Secretariat. By appointing former Prime Minister Hashimoto as the first cabinet minister for administrative reform, Mori surprised all the ministries and showed his determination to galvanize administrative change. When a new secretariat for the headquarters was established under the assistant CCS for domestic affairs, the ministries sent key officials to participate in order to influence policy outcomes. This is evidence that everyone was taking the headquarters seriously.

The secretariat was mandated to deal with three major areas of reform: (1) the special public corporations, (2) the public servant system, and (3) the administration-commissioned public service corporations. Hashimoto, who had led major reform efforts as prime minister, was well aware that the reform of special public corporations and public service corporations would require fundamental structural changes within Japan's political and economic system

32. Furukawa, interview by author, October 30, 2003.

33. The 77 special public corporations were originally established to efficiently rebuild Japan's infrastructure after World War Two. They played instrumental roles to help Japan's economic growth by overseeing state loans and construction projects. In addition, the central and local governments established 26,000 public service corporations across Japan. They included corporations and foundations that were supposed to work in the public interest in order to receive lenient treatment under the tax system; some organizations receive subsidies.

because institutional complementarities had formed over many years. During his tenure as cabinet minister, Hashimoto focused much of his efforts on the public servant system reform.³⁴

A major policy shift in the headquarters took place when Koizumi became prime minister in April 2001. He had advocated reform of special public corporations and privatization of postal services for many years. Koizumi appointed Ishihara Nobuteru as minister for administrative reform and instructed him to focus on reform of the special public corporations. Under Ishihara's leadership, the secretariat for the headquarters drafted reform legislation based on the October 2000 agreement among the ruling coalition parties—LDP, Ko-meito, and the Conservative Party. This bill was designed to establish the Special Public Institutions Reform Promotion Headquarters under the Cabinet to make decisions on each public corporation by March 2006: whether they will be abolished, privatized, or allowed to continue after the review process. The bill was approved by the Cabinet and submitted to the Diet. After a short deliberation, it was enacted on June 20, 2001.

The political battles began after the law was established because the newly established headquarters now had to review and decide on the future status of each special public corporation. Over the years, inefficiency within such quasi-governmental corporations had developed, costing Japanese taxpayers an estimated 5.3 trillion yen (\$48.2 billion at \$1 = 110 yen) a year. These funds were allocated to 66 special public corporations in the name of subsidies or government endowments. With mounting fiscal pressure, the media and the public began questioning whether and to what extent they were still needed in the modern economy, calling for drastic reform of the special public corporations.

In August Prime Minister Koizumi publicly expressed his firm decision to cut one trillion yen (\$9.1 billion) out of the 5.3 trillion yen allocated to special corporations in the fiscal 2002 budget. This statement resulted in the December cabinet decision to reform special public corporations, including the abolition or privatization of the Urban Development Corporation, the Japan National Oil Corporation, and the Government Housing Loan Corporation, as well as the four highway-related public corporations.

Among the groups most heavily criticized by the media were the four highway-related public corporations, especially the Japan Highway Public Corporation. This organization had accumulated a total debt of 24 trillion yen (\$218 billion) as of 1999 by building 7,000 kilometers of highways all over Japan. If it tries to complete the original government plan to build an additional 2,400 kilometers of highways, it would require 300 billion yen (\$2.7 billion) of government funds annually, swelling its debt to 44 trillion yen (\$400 billion). In

34. Interview by author with an official of the Secretariat of Headquarters for Administrative Reform, Tokyo, October 20, 2003.

order to formulate a privatization policy regarding the controversial organizations, Prime Minister Koizumi chose to form an independent advisory council directly under the Cabinet Office instead of under the Ministry of Land, Infrastructure, and Transport. Because the Cabinet Office does not have authority over the administration of road construction, a new law was required designating authority to the Office. After half a year of legislative process, the Promotion Committee for the Privatization of the Four Highway-Related Public Corporations was established in June 2002.

At committee deliberations, a series of heated debates broke out over whether to freeze the plans for the remaining 2,400 kilometers of highway or allow the plans to go forward during the review process. Because road construction is highly integrated into local politics, this attracted much media and public attention. On November 18, Koizumi announced he was cutting the annual government subsidy of 300 billion yen (\$2.7 billion) in order to freeze future highway construction. However, LDP road construction *zoku* (policy tribe) members rolled this back. Three days later, in return for accepting the subsidy cut, they garnered a political compromise from Koizumi to extend debt payments to 50 years instead of 30. This extension would allow the new road construction corporation to continue undertaking more than 80% of the original scheme.

In December 2003, based on the recommendation of the Promotion Committee, the Ministry of Land, Infrastructure, and Transport announced final government plans to privatize the public corporations. Although the plan substantially cuts down on construction costs, it would not create the fully privatized corporation that the Promotion Committee had strongly recommended. The new corporation would not be responsible for recovering construction costs of the highway, thus enabling the continued construction of wasteful highways. Two members of the Promotion Committee resigned to protest this government plan. Throughout 2003, the cabinet committee led the debate on privatization and pressured the vested interest groups, highlighting the cabinet initiative in the highly political issue of road construction. The final outcome, however, did not satisfy many who hoped to see a more drastic reform by Koizumi.

Conclusion

The Cabinet Secretariat has been playing an increasingly important role in Japan's policy making. The Secretariat is now defined as the "final organ" of the Japanese government for policy coordination and is situated above other ministries and agencies. Many politically difficult issues are brought to the Secretariat, where they are coordinated and expected to be resolved under the leadership of the prime minister and the CCS. The Cabinet Secretariat's function as core executive has emerged within the Japanese government.

The Cabinet Secretariat's elevated status can be observed symbolically in the increased role of the CCS. The CCS is involved in most of the major policy-

making procedures of the government and has become the de facto deputy prime minister, heading the list of succession of cabinet members for the premiership. The administrative deputy CCS plays a crucial role to link the CCS and the bureaucracy. His increased influence vis-à-vis the ministries contributes to the centralization of Japan's policymaking. The merged policy unit serves as a powerful supporting organ for the CCS and deputy CCS.

In addition to its traditional role as policy coordinator, the Cabinet Secretariat after the 2001 reform began initiating major policies. The revised Cabinet Law clearly provides for the Secretariat to plan and draft policies. Under the new authority, several major pieces of legislation were initiated and finalized by the Secretariat, including the Anti-Terrorism Special Measures Law and the Contingency Law. While some policy outcomes in domestic reform drew an ambivalent reaction, policy initiative of the Secretariat created impressive results in the area of national security.

The emergence of the Cabinet Secretariat has centralized Japan's policy making and made it easier for the prime minister to exercise leadership. However, it does not automatically guarantee stronger leadership. Although there are many political appointment positions, the Cabinet Secretariat still is largely dominated by bureaucrats. Without the prime minister's policy involvement and clear objectives, the administrative deputy CCS and other bureaucrats within the Secretariat may pursue a policy outcome different from the one envisaged by the premier. Strong leadership in the policymaking arena depends on the individual prime minister and his ability and will to take advantage of the new arrangements surrounding the Cabinet Secretariat.